GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:927
ANSWERED ON:28.11.2006
CONDITIONS OF WTO
Singh Shri Ganesh

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has accepted all the conditions of WTO;

(b) if not, the details of issues on which disagreement still prevails;

(c) whether WTO wants to control the agricultural sector of India;

(d) whether the Government feels that agricultural sector should be kept aloof from provisions of WTO keeping in view the interests of the country;

(e) if so, the steps likely to be taken by the Government in this regard; and

(f) the details of agricultural produce exported from the country during the current year alongwith the details of agricultural produce imported?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) and (b): All Members of the WTO, including India, have undertaken to subscribe to the Marrakesh Agreement establishing the WTO along with the annexed Agreements in Annex 1A relating to the Multilateral Agreements on Trade in Goods; Annex 1B relating to the General Agreement on Trade in Services and Annexes (GATS); Annex 1C relating to the Agreement on Trade-Related Aspects of Intellectual Property Rights

(TRIPS); Annex 2 relating to the Understanding on Rules and Procedures governing the Settlement of Disputes (DSU); and Annex 3 relating to the Trade Policy Review Mechanism (TPRM), in the form of a Single Undertaking. The range of WTO Agreements, which constitute a rule based system for the governance of international trade, represent a balance of rights, concessions, commitments and obligations on the part of all Member countries of the WTO.

While decision making in the WTO is governed by Article IX of the Marrakesh Agreement establishing the WTO, all decisions have so far been taken by consensus among the WTO Members.

In accordance with the mandate given in the Doha Ministerial Declaration and the July Framework Agreement Decision of the General Council dated 1 August 2004 and the Hong Kong Ministerial Declaration of December 2005, negotiations are going on under the Doha Work Programme on a wide range of issues.

(c)to(e): WTO is not meant to control the agricultural sector of any of its Member countries. Under the ongoing negotiations of the Doha Work Programme, Members are aiming to bring about reforms in the international trade in agriculture, through inter-alia reduction of trade distorting domestic support and phasing out of export subsidies provided by developed countries. As part of these negotiations, Members are also negotiating the provisions relating to special and differential treatment for developing countries. Hence it would not be in the interest of developing countries, including India, to keep agriculture out of the Doha Round negotiations of the WTO.

Under the existing provisions of the WTO Agreement on Agriculture, India`s domestic policy for the agriculture sector has by and large not been constrained. India has not been required to reduce its domestic subsidies in the agricultural sector, since its total Aggregate Measurement of Support (AMS) is negative and remains well within the de minimis level. Subsequent to the removal of quantitative restrictions on imports in 2001 by India, the Government has put in place a mechanism for monitoring the import of sensitive items. Protection to the domestic producers, including farmers, is provided by applying WTO compatible measures, which include appropriate calibration of applied tariff within bound levels and safeguard action under specified circumstances.

The Government has introduced a number of initiatives and interventions for enhancement of production and productivity of agricultural products, so as to increase the competitiveness of Indian agriculture. The schemes implemented by the Government in this regard, inter alia, include the Integrated Scheme for Oilseeds, Pulses, Oilpalm and Maize (ISOPOM), National Horticulture Mission and Integrated Cereal Development Programmes. Further, to provide a level playing field for exports of agricultural products, the Government implements schemes such as the Transport Assistance Scheme and Vishesh Krishi Upaj Yojana to ensure that the

farmers get remunerative prices for their exports as well as increased access to the international market.

(f): During April-May 2006 of the current year, the total exports of agricultural products amounted to Rs. 83,786.71 crore, while imports of agricultural products during the same period amounted to Rs. 1,23,244.65 crore .